

Message Text

SECRET

PAGE 01 STATE 124499
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY NEA/ARP:JWTWINAM:CEJ
APPROVED BY NEA:ALATHER,ON
S:UTWADDELL
S/S:RPERITO
NSC:SICK

-----281621Z 117696 /42

O R 281607Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA IMMEDIATE
INFO AMEMBASSY KUWAIT
AMEMBASSY DOHA
AMEMBASSY ABU DHABI
AMEMBASSY SANA
AMEMBASSY MUSCAT
AMEMBASSY MANAMA
AMCONSUL DHAHRAN
AMEMBASSY ALGIERS
AMEMBASSY QUITO
AMEMBASSY LIBREVILLE
AMEMBASSY JAKARTA
AMEMBASSY TEHRAN
USINT BAGHDAD
AMEMBASSY TRIPOLI
AMEMBASSY LAGOS
AMEMBASSY CARACAS
AMEMBASSY CAIRO
AMEMBASSY BEIRUT
AMEMBASSY AMMAN
AMEMBASSY DAMASCUS
AMEMBASSY TUNIS
AMEMBASSY RABAT
AMEMBASSY ADDIS ABABA
AMEMBASSY MOGADISCIO

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AMEMBASSY KHARTOUM
AMEMBASSY KINSHASA

S E C R E T STATE 124499

EXDIS

E.O. 11652: GDS

TAGS: ECIN, ENRG, XI, XJ, SA

SUBJECT: FAHD VISIT: ECONOMIC AND REGIONAL MATTERS

1. FOLLOWING IS FOR YOUR BACKGROUND INFORMATION ONLY.

2. WHILE THE PRESIDENT'S DISCUSSIONS WITH CROWN PRINCE FAHD MAY 24-25 FOCUSSED ON MIDDLE EAST PROBLEM, THEY ALSO COVERED NUMBER OF INTERNATIONAL AND BILATERAL ECONOMIC ISSUES AND MATTERS AFFECTING SAUDI AND REGIONAL SECURITY. THE PRESIDENT'S OWN DISCUSSIONS WITH FAHD WERE ALSO SUPPLEMENTED BY SEPARATE MEETINGS BY FAHD WITH SECRETARY VANCE, SECRETARY BROWN, AND MR. SCHLESINGER.

3. ENERGY: WE STRESSED APPRECIATION FOR CONSTRUCTIVE SAUDI OIL PRICE AND PRODUCTION POLICIES AND NOTED CONSERVATIONIST THRUST OF ADMINISTRATION'S ENERGY POLICY, WHICH FAHD WELCOMED. FAHD INDICATED SAUDI INTENTION MAINTAIN RESPONSIBLE POLICIES IN LIGHT OF INTERNATIONAL REQUIREMENTS AND SAUDI DESIRE TO CONTINUE COOPERATION WITH US IN ENERGY MATTERS. (IN ASIDES TO US OFFICIALS, YAMANI INDICATED SAUDIS HAD MADE NO COMMITMENT TO OTHERS BUT MIGHT EASE OIL PRICE UPWARD TOWARD PRESENT "OPEC UPPER TIER" LEVEL IN COURSE OF THIS YEAR.) FAHD DENIED THAT

SAUDIS CONSIDERING OIL EMBARGO AS WEAPON TO EXERT PRESSURE FOR PEACE SETTLEMENT AND SAID HE COULD SEE SAUDI ARABIA'S
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RECOURSE TO OIL EMBARGO ONLY IN EVENTUALITY OF AN ISRAELI ATTACK. FAHD INDICATED SAUDI WILLINGNESS TO DISCUSS PARTICIPATING IN SUPPLY OF US STRATEGIC PETROLEUM RESERVE AND OPENNESS TO ANY PROPOSALS FOR COOPERATION WITH US IN DEVELOPING NEW ENERGY RESOURCES. SAUDIS ANNOUNCED PUBLICLY INTENT TO PROVIDE UP TO DOLS 50 MILLION IN FINANCIAL SUPPORT FOR JOINT RESEARCH WITH US IN SOLAR ENERGY AND SCHLESINGER UNDERTOOK TO SEEK MATCHING SUM FROM CONGRESS.

4. INTERNATIONAL FINANCE AND DEVELOPMENT: FAHD EVIDENCED GENERAL DESIRE FOR CLOSER COOPERATION WITH US IN MEETING INTERNATIONAL FINANCIAL AND DEVELOPMENT PROBLEMS. HE MADE NO COMMITMENT TOWARD INCREASING PLANNED SAUDI CONTRIBUTION TO PROPOSED WITTEVEEN FACILITY, BUT INDICATED RECOGNITION OF FACILITY'S IMPORTANCE TO THE WORLD FINANCIAL SYSTEM. FAHD NOTED LARGE CONTRIBUTIONS SAG IS MAKING TO VARIOUS MULTILATERAL LENDING AGENCIES. THERE WAS NO DETAILED DISCUSSION OF ANTI-BOYCOTT LEGISLATION ALTHOUGH

IT WAS REFERRED TO IN CONTEXTS OF MUTUAL DESIRE TO
STRENGTHEN ECONOMIC RELATIONS AND HOPES FOR SOLUTION
TO MIDDLE EAST PROBLEM.

5. FAHD STRESSED SAUDI CONCERN ABOUT SOVIET AIMS AND
ACTIVITIES IN MIDDLE EAST AND AFRICA. HE WELCOMED RECENT
US EFFORT TO BEGIN DIALOGUE TOWARD IMPROVING RELATIONS
WITH IRAQ. RE INDIAN OCEAN ARMS LIMITATIONS, FAHD SAID
IT WOULD BE PREFERABLE FOR SAUDI INTERESTS FOR US TO STAY
AND SOVIETS TO WITHDRAW; IF THAT NOT POSSIBLE IT WOULD
BE DESIRABLE FOR INDIAN OCEAN TO BE FREE OF ARMAMENTS.
FAHD LAID CONSIDERABLE STRESS ON SITUATION IN AFRICA
URGING COOPERATION OF US AND OTHER WESTERN COUNTRIES WITH
SAUDI ARABIA IN AIDING SOMALIA AND ZAIRE IN PARTICULAR
AS CHECK TO SOVIET PRESSURES.

6. TEXT OF THE WHITE HOUSE SPOKESMAN'S BRIEFING MAY 24,
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CARRIED ON THE WIRELESS FILE MAY 25, IS AN ACCURATE RE-
FLECTION OF WHAT HAPPENED IN THE CROWN PRINCE'S TALKS
WITH THE PRESIDENT THAT DAY AND SHOULD BE DRAWN ON IN
ANSWERING QUERIES FROM HOST GOVERNMENTS. VANCE

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PAGE 01 STATE 124499
ORIGIN SS-15

INFO OCT-01 ISO-00 SSO-00 /016 R

66011

DRAFTED BY NEA/ARP:JWTTWINAM:LB
APPROVED BY NEA:EGABINGTON,JR
S/S-O:AOTTO

-----012233Z 028606 /73

P 012205Z JUN 77

FM SECSTATE WASHDC
TO AMEMBASSY LONDON PRIORITY

SECRET STATE 124499

EXDIS FOR LUCIEN KINSOLVING

FOLLOWING REPEAT STATE 124499 ACTION JIDDA INFO KUWAIT DOHA
ABU DHABI SANA MUSCAT MANAMA DHAHRAN ALGIERS QUITO LIBREVILLE
JAKARTA TEHRAN BAGHDAD TRIPOLI LAGOS CARACAS CAIRO BEIRUT AMMAN
DAMASCUS TUNIS RABAT ADDIS ABABA MOGADISCIO KHARTOUM KINSHASA
28 MAY 77

QUOTE

S E C R E T STATE 124499

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E.O. 11652: GDS

TAGS: ECIN, ENRG, XI, XJ, SA

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UNQUOTE HABIB.

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Message Attributes

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Channel Indicators: n/a
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Sent Date: 28-May-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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From: STATE
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Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
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Reference: n/a
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Review Release Date: n/a
Review Release Event: n/a
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TAGS: ECIN, ENRG, OVIP, XI, XJ, SA, (FAHD, PRINCE)
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